

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 94-638-C - ORDER NO. 95-797✓  
APRIL 3, 1995

IN RE: Application of Inacom Communications, Inc. ) ORDER  
for a Certificate of Public Convenience and ) APPROVING  
Necessity for Authority to Provide Resold ) CERTIFICATE  
Intrastate Interexchange Telecommunications )  
Services Within the State of South Carolina. )

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Inacom Communications, Inc. (Inacom or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1993) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Inacom to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Inacom's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Inacom complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene was filed by the Consumer Advocate for the State of South Carolina (the Consumer Advocate) and Southern Bell Telephone and

Telegraph Company (Southern Bell).

Discussions between Inacom and the Consumer Advocate led Inacom to agree to certain amendments to its proposed tariff. Subsequently, the Consumer Advocate informed the Commission that it was satisfied that Inacom's offering was consistent with other resellers approved by the Commission and that the Consumer Advocate would not participate in the scheduled hearing in this Docket.

A public hearing was commenced on March 23, 1995, at 10:30 a.m., in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. Inacom was represented by Frank R. Ellerbe, III, Esquire; Florence P. Belser, Staff Counsel, represented the Commission Staff.

Southern Bell did not appear at the hearing, and counsel for Inacom submitted for Commission approval a Stipulation between Inacom and Southern Bell. (Hearing Exhibit No. 1). The terms of the Stipulation are as follows:

(1) Any grant of authority should clearly be for interLATA services and such intraLATA services as contemplated by PSC Order No. 93-462, dated June 3, 1993.

(2) Inacom Communications, Inc. represents that the services for which it seeks authority through this Application are not intended to be used to complete local calls. Inacom Communications, Inc. agrees that it is not seeking authority in this docket to authorize it to complete local calls. Inacom Communications, Inc. will not market or advertise its services as a method of completing local calls.

(3) All operator services provided will be only for interLATA calls and any "0+" or "0-" intraLATA calls will be handed off to the LEC.

(4) Inacom Communications, Inc. agrees that all directory assistance services shall be provided by the applicable LEC in accordance with PSC Order No. 86-633. However, Inacom Communications, Inc. may apply to the Commission for authority to provide such services, if such authority is granted to any other IXC or reseller.

(5) Nothing in 1, 2, 3, or 4 above shall prohibit Inacom Communications, Inc. from offering any services authorized for resell by tariffs of facility based carriers approved by the Commission.

In support of its Application, Inacom presented the testimony of Gary Ferguson, director of finance of Inacom. Mr. Ferguson explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Ferguson described the Company's services, its managerial, technological, and financial resources, and its marketing procedures. Mr. Ferguson stated that Inacom will provide its services in compliance with the Commission's rules and regulations.

After full consideration of the applicable law, the Company's Application, the evidence presented by the Company and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

#### FINDINGS OF FACT

1. Inacom is incorporated under the laws of the State of Nebraska, and has received a Certificate of Authority to Transact Business as a Foreign Corporation in the State of South Carolina.

2. Inacom operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. Inacom has the experience, capability, and financial resources to provide the services as described in its Application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Inacom to provide intrastate interLATA service

and to originate and terminate toll traffic in the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Inacom for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Inacom shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Inacom shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance

with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. Inacom is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

6. Inacom shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Inacom changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and the termination of toll traffic in the same LATA, Inacom shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

8. Inacom shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

9. Inacom shall file its revised tariff and accompanying price list reflecting the findings herein and its agreed upon tariff amendments within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the Commission's Rules and Regulations. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

10. The Stipulation between Inacom and Southern Bell is hereby approved.

11. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
CHAIRMAN

ATTEST:

  
Executive Director

(SEAL)

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APRIL 3, 1995  
ATTACHMENT A

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ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12 MONTHS  
ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING  
\_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL  
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).